

Tiny House Permitting in San Luis Obispo

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Tiny houses are a rising trend in housing that provide affordable, environmentally friendly dwellings for those inclined to a minimalist lifestyle. Across the United States, municipalities have begun creating special provisions for tiny houses, but there remain many barriers to building and permitting tiny houses affordably. There has been much progress in the acceptance of ADUs (Accessory Dwelling Units), specifically in the state of California. Legislation on ADUs leads the way for the community integration of tiny houses. This study investigates the current state of legislation and permitting for tiny houses in San Luis Obispo, California. An interview was conducted with a local authority on tiny house legislation, and three mini case studies were conducted on model practices in other municipalities. Information from the interview and the case studies was synthesized into a recommendation for the City of San Luis Obispo on how to alter their current legislation model.

Key Words: Tiny house, Accessory Dwelling Unit, ADU, Legislation, San Luis Obispo

Introduction

The “tiny house movement” is a social movement in which people are choosing to downsize their living spaces and move into tiny houses. These small dwellings can offer financial savings, a minimalist lifestyle, and a reduced environmental footprint and have been gaining popularity over the past two decades. According to the tiny house resource guide “thetinylife.com”, typical tiny houses are somewhere between 100 and 400 square feet, although the forms and configurations can vary widely (Mitchell, 2016). A primary incentive for tiny house living is financial, as American home prices continue to rise while the median income has stayed relatively constant. The latter half of the 20th century brought demand for increasingly larger homes, as Americans adopted a “bigger is better” mentality. Over the sixty-year span between 1940 and the new millennium, the average size of new, single-family homes more than doubled. Additionally, the number of members per household declined by about one person over this same period of time. Resultantly, the average square footage per family member in the year 2000 was about triple that of houses in 1950s (Mitchell, 2016).

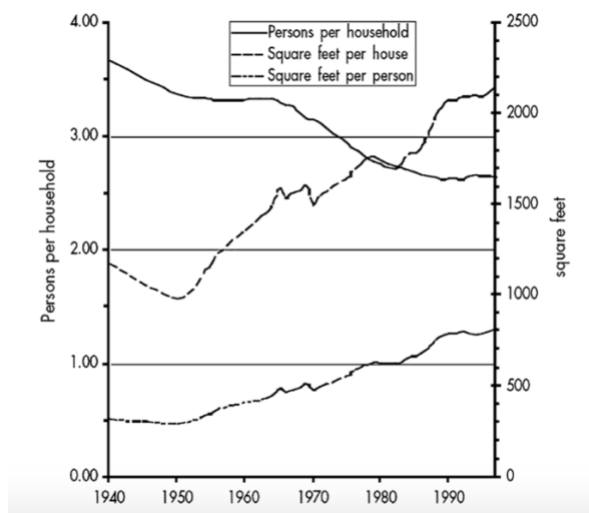


Figure 1. Graph of square footage, persons per household in the average American house between 1940 and 2000

Tiny houses aim to reverse this trend of increasing square footage per person, and they provide “an alternative to a mortgage-burdened lifestyle” (Kilman, 2016) that has become the norm for single-family homebuyers. According to the U.S Census Bureau, the median home price in 2015 was around \$283,000, which absolutely dwarfs the cost to buy or build a tiny house. Prices vary, but there are many examples of tiny houses that have been built for less than \$20,000. In addition to financial advantages, tiny houses offer environmental benefits. The size of a tiny house inherently lends itself to increased energy efficiency and sustainability when compared to traditionally sized dwellings (Kilman, 2016).

A larger house means larger resource consumption, both during construction and during operation. According to an estimate by the National Association of House Builders, a 2,082 square-foot single-family house uses nearly 14,000 board-feet of framing lumber, more than 11,000 square-feet of sheathing, and nearly 17 tons of concrete in its construction (Wilson and Boehland, 2005). This drain on resources becomes an issue of sustainability when considering a house’s life cycle and the recyclability of construction materials. At the end of a house’s life, these materials will likely end up in a landfill. Additionally, the operation of a larger house consumes more energy in heating, cooling, and providing electricity to the space, and higher energy consumption results in a larger drain on non-renewable resources (Wilson and Boehland, 2005). Larger houses consume more resources, produce more waste, and pollute the environment because of their higher energy demands. Tiny houses offer sizable reductions in all of these impact areas (Wilson and Boehland, 2005).

Tiny Houses in the United States

The major legal obstacles associated with tiny houses fall into two categories, one of which involves zoning laws and building code requirements. When a tiny house is built as a permanent structure on a foundation, it faces the same set of regulations as would a typical single-family house. This becomes a challenge for potential tiny house builders, as zoning changes and permitting costs represent sizable roadblocks to construction. As a result, tiny houses are often put on trailers in an attempt to exempt them from building codes and zoning regulations. Tiny houses on trailers bring about the second category of legal obstacles. Putting a tiny house on wheels will typically classify it as a recreational vehicle (RV), and it is not just as easy as parking it in a friend’s back yard. Many tiny house dwellers have resorted to a nomadic lifestyle, towing their tiny-house-on-wheels from place to place in order to avoid the enforcement of local code provisions. Figure 2 below shows the difference between a tiny house built on a foundation and a tiny house built on a trailer.



Figure 2. Tiny House on a Foundation Vs. Tiny House on a Trailer

The comparison in figure 2 also shows the potential for variation in aesthetic among tiny houses. The house on the left was built in a modern style, while the house on the right was built in more traditional style, possibly to allow it to conform with the look of a main house as an accessory dwelling unit. Unfortunately, the current state of

legislation in this country gives owners of tiny houses no choice but to seek loopholes in regulations, regardless of the type of tiny house they choose.

Accessory Dwelling Units (ADUs)

In recent years, local governments nationwide have begun allowing ADUs to be constructed in residential areas. Commonly referred to as secondary units, granny flats, or accessory apartments, ADUs are “small, independent living quarters on single-family lots (usually equipped with kitchen and bathroom facilities)” (Brinig and Garnett, 2013). “Zoning laws frequently segregate apartments and single-family-houses, and almost always prohibit their co-location on a single residential parcel” (Brinig and Garnett, 2013), so many ADUs have been built legally but are technically in violation of local regulations. As of 2013, nine states had passed legislation encouraging ADUs, and three more states had enacted potential legislation. In response, a sizeable number of municipalities adopted legislation permitting ADUs in addition to those municipalities that did so independently. It is important to note that ADUs are different from tiny houses by definition, but their regulation represents great precedent for the legalization of free-standing tiny houses, tiny house subdivisions, and tiny house communities (Brinig and Garnett, 2013).

Despite the trend of legislation supporting ADUs, there are concerns and unanswered questions relating to the societal impacts of this alternative housing solution. According to Brinig and Garnett’s analysis of ADU reforms, a principal uncertainty is “whether the reforms will actually achieve their stated purpose of breaking down regulatory barriers to affordable housing” (Brinig and Garnett, 2013). They assert that accessory dwelling units present minimal potential issues when compared with more traditional multi-family apartment complexes as an affordable housing solution.



Figure 3. Backyard Accessory Dwelling Unit

ADUs in California. 2002 saw the enactment of state-wide legislation in California, forcing the issue of ADUs with local governments. In response, local governments either had to “amend their zoning laws to permit ADUs in single-family zones, accept the imposition of a state-dictated regulatory regime, or demonstrate why they cannot conform to the state mandate” (Brinig and Garnett, 2013). Resultingly, almost all California municipalities now have legislation permitting accessory dwelling units in one way or another. Brinig and Garnett further investigate, analyzing zoning laws in the 150 California cities with populations over 50,000 people. City responses to the state mandate varied from refusal to subsidization of ADUs, with many levels of support in between.

Brinig and Garnett's analysis uncovered a theme of "large-city-resistance" in response to the California state mandate. Despite the existence of tens of thousands of illegal ADUs in cities like Los Angeles, large California cities exhibit much resistance to supporting accessory dwelling units, voicing concerns about densification and decreased house values. The resistance may seem somewhat counterintuitive, as some of these large urban centers are those cities most in need of additional affordable housing. Other California cities have embraced ADUs in different ways, like Santa Cruz, where accessory dwelling units have been accepted enthusiastically, making the city a model for ADU success. In some other municipalities, owners are required to secure a conditional use permit before constructing an ADU. In 2013, these cities included Carson, Chico, Huntington Park, Lancaster, Merced, Mission Viejo, Moreno Valley, Rosemead, San Clemente, Tracy, and West Covina. Additionally, there are other California cities that permit accessory dwelling units with a wide range of associated restrictiveness and difficulty.

Additional Tiny House Permitting Options

House Trailer. Available in Hawaii, this provision allows a tiny house on a trailer to be "parked on private property that is owned by the tiny dweller or with permission of the landowner" (Vail, 2016). As long as the trailer is registered with the DMV and is suitable for both dwelling and travel on roadways, the code provision provides a seemingly ideal solution for tiny houses on wheels. Although this option is unavailable in most municipalities, it provides a solution for mobile tiny houses that is analogous to a typical ADU provision.

Variance. A variance permit allows an existing tiny house to be deemed legal. The downside of this option is that an illegal tiny house is 'outed' to local building inspectors in the application process, and an owner could face legal consequences if the variance permit is denied. In Louisville, Kentucky, this process includes thorough review of building documentation and investigation into "whether the variance will affect the public health, safety, or welfare, whether the variance will be a nuisance, whether the variance will affect the character of the area, whether the rejection of the variance will cause unnecessary hardship, etc." (Vail, 2016). These, among others, are all considerations that affect the permissibility of tiny houses across the nation (Vail, 2016).

Methodology

The objectives of this study are as follows:

- To determine best practices for getting a tiny house permitted in San Luis Obispo
- To expose flaws in the current legislation model
- To investigate alternative legislation models with "mini case studies"
- To provide a recommendation to the City of San Luis Obispo on how to alter tiny house legislation

The methodology chosen for this study was qualitative. The qualitative study combined primary and secondary research. An interview was conducted with an associate planner for the community development department in San Luis Obispo. Also, three "mini case studies" analyze examples of how other municipalities have addressed tiny houses.

Results

An interview was conducted with Kyle Bell, an associate planner for the community development department in San Luis Obispo. Kyle is in the process of proposing new legislation that specifically addresses tiny houses on wheels. Additionally, three mini case studies detail progressive tiny house legislation in other jurisdictions.

Kyle Bell – Associate Planner for Community Development Department

New legislation is to be proposed in San Luis Obispo on June 13th and 14th of 2018. The legislation allows tiny houses on wheels to be parked in back yards and hooked up to water, sewer, and electricity. Tiny houses on wheels

are considered “RVs”, and when two or more of them are parked on one property, that property is legally considered a mobile home park. Once a property is designated as a mobile home park, the responsibility for its regulation shifts from the city to the state. There is demand in San Luis Obispo for tiny houses on wheels to be parked in mass on single plots of land, but complications with the state make this option unreasonable at this time.

Currently, anyone in San Luis Obispo has the ability to permit an ADU tiny house for less than \$10,000. Additionally, a “common interest subdivision” allows for a piece of property to be parceled into small lots for tiny houses in the creation of a tiny house subdivision. With the new legislation allowing tiny houses on wheels, many of the legal barriers to building and permitting a tiny house have been removed, but cost and community barriers remain. The respondent asserted that pushback from the community is likely the most prominent barrier to the creation of any tiny house development. Specifically, “Hope’s Village of SLO”, the proposed village to house the houseless was rejected by the community. Also, despite the “common interest subdivision” provision, San Luis Obispo has received no proposals for tiny house subdivisions. Regulations for tiny houses are the same as for single-family homes, and the respondent admitted that this is a main issue surrounding this topic. In closing, the respondent noted that the removal of certain restrictions or barriers would be key to making tiny houses more affordable and popular in San Luis Obispo.

Case Study – Quixote Village, Olympia, Washington

Quixote Village is a community of 30 tiny cottages in Olympia, Washington. It was constructed to house primarily houseless individuals and was almost entirely funded through county and state programs. Before being constructed as a permanent community, Quixote village floated between religious and community spaces every few months, as the city had allowed collections of mobile shelters to function as temporary encampments. After 7 years of moving from place to place, the village found a permanent spot on the edge of an industrial park. Throughout Quixote Village’s progression from transient camp to thriving tiny house community, the development employed volunteers from the local community (Quixote, 2015).

The 2.17 Acre site was leased to the project developer for 41 years at a price of \$1 per year. Initially zoned industrial, the parcel had to be rezoned to residential by the city. There was significant pushback from neighboring community members, as they feared the new residential pocket in their industrial zone would eventually impose limitations on industrial activity. There was much community protest, and a lawsuit was brought against the city but lost.

The 144 square foot cottages were originally designed to have no interior plumbing whatsoever, but the final design included toilets and sinks. The lack of showers within the dwellings proved a code issue, so the cottages had to be designated as Single Room Occupancy (SRO) units. In this light, the entire development was viewed as a sort of deconstructed dormitory with individual living modules and centralized living amenities. The cottages are situated around a central, community space that houses showers, laundry facilities, and living areas (Quixote, 2015)

The total cost of the project was \$3,052,099, and of that, only \$94,811 came from expenses in permits, fees, and hookups. Permitting, fees, and hookups accounted for only about three percent of the total project cost and about \$3,100 for each individual cottage (Quixote, 2015).

Case Study – Walsenburg, Colorado

Walsenburg is the county seat of Huerfano County in southern Colorado. In the year 2014, the city altered its zoning regulations to allow for houses less than 600 square feet in response to a demand for affordable housing. In the years to follow, a city ordinance was created specifically to address tiny houses. The ordinance defines tiny houses as dwellings on permanent foundations that are between 100 and 500 square feet. Similar to single-family homes, tiny houses are tied into local utilities, but Walsenburg gave tiny houses a separate set of building regulations, recognizing that tiny houses are in nature, different from single-family homes. Tiny houses must follow the 2015 International Building Code, but many items have been waived or modified (Eccher, 2016).

Case Study – Rockledge, Florida

Rockledge, Florida is a small town about an hour's drive east of Orlando. In 2015, the Rockledge planning commission proposed new legislation, creating a special designation for tiny house developments. A "pocket neighborhood" designation was created to allow groups of tiny houses to exist as separate, distinct communities (Rollin, 93).

Dwellings between 170 and 1,100 square feet are recognized as tiny houses by the City of Rockledge, and these pocket neighborhoods are allowed to contain a minimum of four and a maximum of twelve. Additionally, up to 25% of the dwellings in a pocket neighborhood are allowed to be tiny houses on wheels. Other stipulations, such as the requirement to have both front and rear porches on the dwelling discourage transiency. Even the tiny houses on wheels are required to have installed both front and rear porches, as the city wants these pocket neighborhoods to be viewed as permanent communities. The creation of a homeowner's association is also required for these tiny developments in order to ensure the upkeep and maintenance of the neighborhood's public spaces (Rollin, 93).

Discussion and Recommendations

One of the main goals of this study was to determine if there is a well-defined best practice for permitting a tiny house in San Luis Obispo. After speaking with an authority on local zoning regulations, it has become apparent that no such thing exists. Once the new zoning legislation passes, tiny houses on wheels will be allowable in backyards, but these dwellings cannot be considered genuine tiny houses, as they are not independent dwellings. With these new allowances for ADUs, the new legislation does its part in providing additional affordable housing options to San Luis Obispo residents, but proper tiny houses are left unaddressed. For those who wish to "live tiny" independently of a friend or family member's backyard, there remains a lack of reasonable, affordable best practices.

The main barriers to building and permitting a tiny house in San Luis Obispo are high permitting costs and community pushback, and the two are interconnected. Understandably, the general population of San Luis Obispo wouldn't want anything built that poses a threat to the wholesomeness of their community. Resultingly, the current state of "tiny houses" leaves them relegated to backyards, hidden from view and unable to make a statement. Not more than one tiny house on wheels can exist on the same plot, as the community might fear collections of "transients" and their negative effect on the community. Additionally, tiny houses as viable, affordable housing options threaten to decrease property values in San Luis Obispo. If anybody could buy a piece of land and permit a tiny house inexpensively, housing supply would increase and subsequently, housing prices could fall. High permitting costs per square foot serve as an adequate deterrent to individuals and developers boosting the housing supply with tiny houses.

San Luis Obispo has provided the option of a "common interest subdivision", and they have made great progress in the allowance of ADUs, but the tiny house still lacks a separate set of designations, including permitting costs. It is apparent that the City of San Luis Obispo views tiny houses as just "small houses", and they remain acknowledged but unencouraged by current legislation.

Recommendations

After reviewing examples of tiny house success in other municipalities, some recommendations can be made to the City of San Luis Obispo on how to alter legislation regarding tiny houses.

Olympia, Washington set precedent for tiny house villages with their 30-cottage community for the houseless. San Luis Obispo should take note of the success of Quixote Village, in the wake of the rejection of a similar project, Hope's Village of SLO. The community involvement in the Quixote Village development was key to its success, helping to shift local attitudes towards acceptance and incorporation of the village into the community. With community pushback being such a large barrier to tiny houses in San Luis Obispo, legislation surrounding these development needs to contain special provisions for community involvement and integration. Additionally, by re-zoning an industrial plot to residential, the village of tiny houses entered a subset of the housing market that is non-competitive with traditional, single-family housing. If the City of San Luis Obispo were to relax re-zoning

regulations in typically “non-desirable” living areas, there could be an influx of affordable housing that would marginally affect single-family house values.

From Walsenburg, Colorado, we can learn the importance of giving tiny houses a special set of designations, distinguishing them from single-family homes. Their pioneering effort in recognizing tiny houses as a unique category of dwelling gave them a concrete definition and a separate set of codes to adhere to. If San Luis Obispo were to follow suit, tiny houses could begin to take on a unique identity and be provided concessions for their social utility and environmental benefits. Rockledge, Florida gives us “pocket neighborhoods”, which allow specifically for tiny house developments. San Luis Obispo’s adoption of a similar idea could provide isolated communities for tiny dwellers without infringing upon existing single-family neighborhoods. Areas zoned specifically for tiny house communities could give rise to more reasonable permitting costs while appeasing those formerly concerned community members.

Conclusions and Future Research

With mounting environmental concerns and housing prices on the rise, tiny houses are a great solution that provide affordable housing with a minimal footprint. The City of San Luis Obispo, like other cities in California, has given attention to accessory dwelling units in an attempt to appease affordable housing concerns. There exists a gap in provisions specifically addressing houses with less than 1,000 square feet, as there is currently no affordable option for permitting a tiny house that is independent of a primary dwelling. Other municipalities around the country have begun to recognize the value of tiny houses in their communities and have made strides to incorporate them easily and affordably. San Luis Obispo has the potential to follow these models by removing barriers and welcoming tiny houses into the community with open arms.

There is future research to be done in determining a solution that is catered specifically to San Luis Obispo’s needs and challenges. This might include analyzing the local housing market and determining just how much an influx of tiny houses would affect single-family house values. An economic analysis could be conducted to determine a reasonable limitation on development, perhaps in the form of a yearly cap on the number of new dwellings.

Municipalities with similarities in population, demographics, and economics among other factors could be closely analyzed as representative models for the City of San Luis Obispo. To gauge community opinions, extensive surveying could be conducted to pinpoint overarching concerns about tiny house developments and their effects on the community. Local developers could be interviewed to better understand their motivations or reservations in building tiny houses, and individuals that are currently residing in tiny houses could be gauged for their input.

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